

J.C. Watts, Jr.
Chairman
4th District, Oklahoma

House Meets at 10:00 a.m. for Legislative Business

Anticipated Floor Action:

H.Con.Res. 290—FY 2001 Budget Resolution

* * *

H.Con.Res. 290—FY 2001 Budget Resolution

Floor Situation: The House will consider H.Con.Res. 290 as its only order of business today. Yesterday, the Rules Committee granted a structured rule that provides three hours of general debate, equally divided between the chairman and ranking member of the Budget Committee, as well as one hour of “Humphrey-Hawkins” debate on economic goals and policies, equally divided between Mr. Saxton and Mr. Stark. It waives House rules requiring that committee reports be available for three days before consideration. In addition, the rule makes in order a committee amendment in the nature of a substitute as base text (with changes reflected below) and makes in order five substitute amendments, each debatable for 40 minutes and in the order listed below.

The rule waives all points of order against the resolution and substitute amendments. It stipulates that adoption of any of the substitutes will conclude consideration of H.Con.Res. 290 for amendment. In addition, the rule provides 10 minutes of general debate, equally divided between the chairman and ranking member of the Budget Committee, after the House completes considering amendments. The rule allows the Budget Committee chairman to offer amendments to achieve mathematical consistency. Finally, the rule states that House rules regarding the establishment of the statutory limit on the public debt do not apply to the adoption of the FY 2001 budget resolution.

Summary: H.Con.Res. 290 establishes a blueprint for the congressional budget for FY 2001 and sets budget levels for FYs 2002-2005. The resolution proposes \$596.5 billion in total discretionary spending for FY 2001 (approximately \$10 billion more than in FY 2000 and about half the rate of inflation). In addition, it calls for a minimum of \$150 billion in tax relief over five years, including eliminating the marriage penalty, providing small business tax relief, and phasing out the federal estate tax. The measure also accommodates tax relief associated with the patients’ rights bill and tax incentives for education assistance.

The measure devotes the entire Social Security surplus—\$166 billion in FY 2001—to a “lock box” to prevent Social Security surpluses from being used to finance other government programs. It also calls for an additional reserve fund of \$60 billion for FYs 2001-2005 that may be used for tax relief or debt reduction. The resolution stipulates that if a portion of FY 2001 tax relief is vetoed, the money must be allocated toward debt reduction, not additional spending—in effect creating a debt reduction “lock box.” In addition, the measure proposes a \$40 billion reserve fund (FYs 2001-2005) for reforming Medicare and providing prescription drug coverage for Medicare beneficiaries. The resolution also sets aside \$6 billion in FY 2000 and \$8.4 billion in FYs 2001-2005 for income assistance to farmers.

Specifically, the resolution calls for:

- * an increase in total spending for national defense to \$306.3 billion in budget authority (BA) and \$297.6 billion in outlays in FY 2001;
- * an increase in education, training, and employment services spending to \$72.6 billion in BA and \$69.2 billion in outlays in FY 2001;
- * an increase in spending for Medicare to \$215.7 billion in BA and \$216 billion in outlays in FY 2001;
- * a decrease in spending in international affairs to \$19.5 billion in BA and \$17.3 billion in outlays in FY 2001;
- * an increase in transportation-related spending to \$59.2 billion in BA and \$50.3 billion in outlays in FY 2001; and
- * a total of \$422.8 billion in BA and \$422.7 billion in outlays for Social Security in FY 2001.

As specified above, the rule makes in order a committee amendment in the nature of a substitute that makes several changes to the base resolution. Specifically, it (1) adds \$500 million in general science, space, and technology budget authority, for a new total of \$20.3 billion for FY 2001; (2) adds roughly \$3 billion to on-budget Social Security budget authority and outlays, for a new total of \$13.1 billion and \$13 billion, respectively; (3) reduces the committee-passed resolution’s additional tax relief and debt reduction reserve fund from \$60 billion to \$50 billion; and (4) expresses the sense of Congress that the president should take immediate steps to reduce waste, fraud, and abuse within the federal government.

The resolution was introduced by Mr. Kasich and was reported by the Budget Committee by a vote of 23-18 on Wednesday, March 15, 2000.

Views: The Republican leadership strongly supports passage of the resolution. An official Clinton Administration was unavailable at press time. Unofficially, however, several administration officials have urged members to oppose it.

Amendments: As stated above, the rule makes in order five substitute amendments, each debatable for 40 minutes and in the order listed.

FY 2001 Budget Resolution Substitutes
(in billions of dollars)

Budget Function	Budget Auth. Outlays	H.Con.Res. 290**	CATs Subst.	Blue Dog Subst.	Spratt Subst.	Black Caucus Subst.	Prog. Caucus Subst.
National Defense	BA	\$306.3	\$309.0	\$308.3	\$305.3	\$255.0	\$276.2
	O	\$297.6	\$299.7	\$298.9	\$297.2	\$252.0	\$274.5
International Affairs	BA	\$19.5	\$17.2	\$19.1	\$20.3	\$22.0	\$21.7
	O	\$17.3	\$14.7	\$20.6	\$17.6	\$20.0	\$19.0
Science, Space, & Tech.	BA	\$20.3	\$19.2	\$19.7	\$20.3	\$14.9	\$19.5
	O	\$19.4	\$19.0	\$19.3	\$19.6	\$14.9	\$18.9
Energy	BA	\$1.2	\$0.0	\$1.7	\$1.7	\$3.3	\$1.2
	O	(\$0.1)	(\$1.3)		\$0.2	\$1.8	\$0.2
Nat. Resources/Environment	BA	\$25.0	\$22.0	\$25.0	\$25.8	\$20.8	\$26.9
	O	\$24.8	\$21.9	\$24.8	\$25.3	\$20.5	\$25.9
Agriculture	BA	\$19.1	\$19.1	\$22.8	\$19.3	\$8.6	\$21.7
	O	\$16.9	\$16.9	\$20.9	\$17.2	\$7.1	\$19.9
Commerce & Housing Credit*	BA	\$6.3	\$6.3	—	\$6.6	\$12.4	\$6.8
	O	\$2.3	\$2.3	—	\$2.4	\$7.6	\$2.7
Transportation	BA	\$59.2	\$54.7	\$56.0	\$59.5	\$14.5	\$58.8
	O	\$50.3	\$43.9	\$50.3	\$51.1	\$2.1	\$50.5
Community & Regional Dev.	BA	\$9.1	\$9.1	\$12.0	\$11.9	\$13.7	\$30.0
	O	\$11.1	\$11.1	\$11.2	\$11.1	\$13.1	\$22.3
Education, Training, Employment & Social Services	BA	\$72.6	\$70.4	\$74.4	\$76.7	\$88.8	\$85.9
	O	\$69.2	\$70.1	\$69.7	\$69.7	\$76.9	\$74.8
Health and Medicaid	BA	\$169.7	\$168.4	\$170.1	\$171.0	\$198.8	\$171.7
	O	\$167.1	\$166.8	\$167.1	\$168.2	\$198.0	\$166.8
Medicare	BA	\$215.7	\$215.7	\$218.4	\$217.7	\$222.0	\$218.2
	O	\$216.0	\$216.0	\$218.7	\$218.0	\$218.3	\$214.7
Income Security	BA	\$252.2	\$251.4	\$252.4	\$254.8	\$241.3	\$265.8
	O	\$254.9	\$255.0	\$247.9	\$255.6	\$217.2	\$260.9
Social Security*	BA	\$13.1	\$13.1	\$13.1	\$9.7	\$14.5	\$9.7
	O	\$13.0	\$13.0	\$13.0	\$9.7	\$14.5	\$9.7
Veterans Benefits & Services	BA	\$47.8	\$47.8	\$48.8	\$48.2	\$44.0	\$47.8
	O	\$47.4	\$47.4	\$48.2	\$47.7	\$42.8	\$46.7
Administration of Justice	BA	\$28.0	\$25.5	\$28.4	\$29.1	\$24.7	\$30.4
	O	\$28.0	\$25.9	\$28.3	\$28.7	\$25.6	\$29.8
General Government	BA	\$13.6	\$12.2	\$13.6	\$13.4	\$14.7	\$15.9
	O	\$14.2	\$12.9	\$14.2	\$14.0	\$14.0	\$15.2
Net Interest*	BA	\$288.5	\$287.5	\$288.2	\$288.6	\$0.0	\$287.9
	O	\$288.5	\$287.5	\$288.2	\$288.6	\$208.3	\$287.9
Allowances	BA	(\$4.2)	(\$4.2)	(\$3.4)	\$0.4	\$200.0	\$20.0
	O	(\$8.6)	(\$8.6)	(\$1.3)	(\$7.0)	\$0.0	\$20.0
Undistrib. Offsetting Receipts*	BA	(\$38.4)	(\$38.4)	(\$46.7)	(\$38.4)	(\$200.0)	(\$38.1)
	O	(\$38.4)	(\$38.4)	(\$46.7)	(\$38.4)	(\$45.7)	(\$38.1)
Total Spending*	BA	\$1,524.1	\$1,505.9	\$1,527.0	\$1,541.9	\$1,548.7	\$1,558.2
	O	\$1,490.7	\$1,475.7	\$1,507.0	\$1,496.5	\$1,525.2	\$1,502.3
Revenues*		\$1,504.8	\$1,501.6	\$1,509.7	\$1,512.3	\$2,026.0	\$1,533.7
Surplus/Deficit*		\$14.1	\$21.6	\$8.2	\$15.8	\$20.0	\$31.4

Source: House Budget Committee

* Does Not Include Off-Budget Spending

** As Modified by the Committee Substitute

— Congressional Black Caucus Substitute —

Mr. Clyburn will offer an amendment in the nature of a substitute that:

- * recommends \$255 billion in budget authority and \$252 billion in outlays for national defense—\$51.3 billion and \$45.6 billion less than the Kasich budget, respectively;
- * provides \$10.5 billion less in budget authority and \$9.8 billion less in outlays for agriculture;

- * calls for \$44.7 billion less in budget authority and \$48.2 billion less in outlays for transportation; and
- * recommends \$88.8 billion in budget authority (\$16.2 billion more than H.Con.Res. 290) and \$76.9 billion in outlays (\$7.7 billion more than H.Con.Res. 290) for education, training, employment, and social services. *Staff Contact: Walter Vinson (Thompson, MS), x6-5803*

— *Progressive Caucus Substitute* —

Mr. DeFazio will offer an amendment in the nature of a substitute that:

- * recommends \$276.2 billion in budget authority and \$274.5 billion in outlays for national defense—\$30.1 billion and \$23.1 billion less than H.Con.Res. 290, respectively;
- * proposes \$30 billion in budget authority and \$22.3 billion in outlays for community and regional development—\$20.9 billion and \$11.2 billion more than the Kasich budget;
- * recommends \$85.9 billion in budget authority and \$74.8 billion in outlays for education, training, employment, and social services—\$13.3 billion and \$5.6 billion more than H.Con.Res. 290;
- * proposes using additional non-Social Security surpluses to create a Medicare prescription drug benefit; and
- * recommends targeted tax cuts, such as expanding the Earned Income Tax Credit (EITC) and increasing the Dependent Care Tax Credit. *Contact: x5-6416*

— *The “Blue Dog” Substitute* —

Mr. Stenholm will offer an amendment in the nature of a substitute that:

- * recommends a total of \$605.9 billion in discretionary budget authority for FY 2001, \$9.4 billion more than H.Con.Res. 290;
- * recommends \$2 billion more than the Kasich budget in national defense budget authority and \$1 billion more in national defense outlays;
- * recommends approximately \$1 billion more than H.Con.Res. 290 in both veterans’ benefits and services budget authority and outlays;
- * calls for devoting approximately 50 percent of the FY 2001 on-budget surplus (\$8.2 billion, as recommended by this substitute) to debt-reduction;
- * calls for \$40 billion in tax cuts over FYs 2001-2005, \$110 billion less than the minimum recommended in H.Con.Res. 290; and

- * calls for a \$40 billion reserve fund for Medicare over FYs 2001-2005 and \$150 billion over FYs 2001-2011. *Staff Contact: Ed Lorenzen (Stenholm), x5-6605*

— *The Conservative Action Team (CATs) Substitute* —

Mr. Sununu will offer an amendment in the nature of a substitute that:

- * recommends a total of \$582.7 billion in discretionary budget authority, \$13.8 billion less than the Kasich budget;
- * recommends \$309 billion in budget authority and \$299.7 billion in outlays for national defense—\$3.6 billion and \$2.1 billion more than the Kasich budget, respectively;
- * calls for \$54.7 billion in budget authority and \$43.9 billion in outlays for transportation—\$4.5 billion and \$6.4 billion less than H.Con.Res. 290, respectively;
- * calls for \$270 billion (\$120 billion more than the minimum recommended by the Kasich budget) in tax cuts over FYs 2001-2005 to provide marriage penalty relief, provide tax relief associated with the patients' rights bill, repeal the 4.3 cent gas tax increase enacted in 1993, eliminating the federal estate tax, and other tax reductions;
- * recommends that the Ways & Means Committee include in legislation to ensure the long-term solvency of Social Security some form of personal retirement accounts;
- * unlike H.Con.Res. 290, which proposes a \$40 billion reserve fund for Medicare reform, directs the Ways & Means Committee to report legislation that follows the recommendations of the National Bipartisan Commission on the Future of Medicare and Senator Breaux and Representative Thomas, which propose prescription drug coverage for the neediest beneficiaries as well as a host of other reforms; and
- * expresses the sense of Congress that (1) taxpayer funding for human embryo research—which includes stem cell research—should be prohibited; (2) organizations and businesses that receive federal funding should obtain parental consent before or confirmation of parental notification before providing contraceptives to a minor; (3) U.S. taxpayers should not be forced to support international family planning programs; and (4) the federal government should fully fund its obligation under the Individuals with Disabilities Act (IDEA) to pay up to 40 percent of the national average per pupil expenditure for children with disabilities. *Staff Contact: Neil Bradley (Coburn), x6-2273*

— *The Spratt Substitute* —

Mr. Spratt will offer an amendment in the nature of a substitute that:

- * recommends \$305.3 billion in budget authority and \$297.2 billion in outlays for national defense—\$1 billion less and \$400 million less than H.Con.Res. 290;

- * proposes gross tax relief of \$5.6 billion (\$4.4 billion less than the Kasich budget) in FY 2001 and \$77.8 billion over FYs 2001-2005 (\$72.2 billion less than then minimum recommended by the Kasich budget) to reduce estate taxes, mitigate the marriage penalty on middle income families, expand the Earned Income Tax Credit (EITC), as well as other targeted tax relief;
- * directs the Ways & Means Committee to report legislation to extend the solvency of Social Security by at least 15 years and Medicare by at least 10 years; and
- * expresses the sense of Congress that (1) the president and Congress agree on discretionary spending caps based on realistic levels; (2) the federal tax code should be modified to encourage low income workers to save and prepare for the future; and (3) federal employees should receive a pay raise of at least 3.7 percent in January 2001. **Staff Contact: Tom Kahn, x6-7200**

Additional Information: See *Legislative Digest*, Vol. XXIX, #7, Pt. II, March 20, 2000.

* * *

To subscribe to this publication via e-mail, please send an e-mail to LegDigest@mail.house.gov and type "SUBSCRIBE" in the subject line.

Eric Hultman: *Managing Editor*

Scott Galupo, Brendan Shields,
Heather Valentine & Michelle Yahng:
Legislative Analysts

House
REPUBLICAN
Conference

Legislative
Digest

<http://hillsource.house.gov/LegislativeDigest>
